



## CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

September 15, 2004

### **S. 1211**

#### **A bill to direct the Secretary of the Interior to undertake a demonstration program for water reclamation in the Tularosa Basin of New Mexico, and for other purposes**

*As ordered reported by the Senate Committee on Energy and Natural Resources on  
July 14, 2004*

#### **SUMMARY**

S. 1211 would authorize the appropriation of \$6 million annually for Sandia National Laboratory over the 2005-2010 period and \$10 million annually for the Department of the Interior over the same period to conduct research concerning water desalinization.

Assuming appropriation of the authorized amounts, CBO estimates that implementing the bill would cost \$73 million over the 2005-2009 period and an additional \$23 million after that period. Enacting S. 1211 would not affect direct spending or revenues.

S. 1211 also would authorize the Secretary of the Interior to construct, manage, and maintain a demonstration facility for water reclamation in the Tularosa Basin in New Mexico. Under the bill, the Department of Energy would develop a plan to implement desalinization technology in the basin. The bill would authorize the appropriation of \$1.5 million for this plan and \$3 million (at January 2003 price levels) to construct the demonstration facility. The bill also would authorize the Secretary to provide the water discharged from the demonstration facility to surrounding communities for purchase at fair market value and to use the proceeds to pay operations costs of the facility.

Planning for this facility is complete, and Congress appropriated \$4 million to construct the facility in fiscal year 2004. Consequently, the costs for planning and constructing this facility are not included in this estimate. In addition, according to the Bureau of Reclamation, it will be cost-prohibitive to produce potable water to be sold from this facility. As a result, the bureau does not plan to sell the water produced by the desalinization facility to the surrounding communities.

S. 1211 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would impose no costs on state, local, or tribal governments.

## ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of S. 1211 is shown in the following table. The costs of this legislation fall within budget function 300 (natural resources and environment). For this estimate, CBO assumes that S. 1211 will be enacted near the start of 2005. Based on historical spending patterns of similar projects, CBO estimates that implementing this bill would cost \$73 million over the 2005-2009 period and an additional \$23 million after that period.

	By Fiscal Year, In Millions of Dollars				
	2005	2006	2007	2008	2009
<b>CHANGES IN SPENDING SUBJECT TO APPROPRIATION <sup>a</sup></b>					
Sandia National Laboratory R&D					
Authorization Level	6	6	6	6	6
Estimated Outlays	3	6	6	6	6
Department of Interior R&D					
Authorization Level	10	10	10	10	10
Estimated Outlays	7	9	10	10	10
Total Changes					
Authorization Level	16	16	16	16	16
Estimated Outlays	10	15	16	16	16
a. Excludes approximately \$4 million appropriated in 2004 to construct a water reclamation project in the Tularosa Basin of New Mexico.					

## INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

S. 1211 contains no intergovernmental or private-sector mandates as defined in UMRA and would impose no costs on state, local, or tribal governments.

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